

IN RE: Annual Review of Base Rates for Fuel Cost
 of South Carolina Electric & Gas Company.

) ORDER FINDING
) PRACTICES PRUDENT
) AND APPROVING AND
) ADOPTING REVISED
) SETTLEMENT
) AGREEMENT

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the annual review of the fuel purchasing practices and policies of South Carolina Electric & Gas Company (“SCE&G” or “the Company”) and for determination as to whether any adjustment in the fuel cost recovery mechanism is necessary and reasonable. In furtherance of its review, the Commission held a hearing on March 29, 2007, in the offices of the Commission, with the Honorable G. O’Neal Hamilton, Chairman, presiding. SCE&G was represented by Belton T. Zeigler, Esquire, Mitchell M. Willoughby, Esquire, and K. Chad Burgess, Esquire. SCE&G presented the testimonies of Thomas D. Gatlin, Joseph K. Todd, Gerhard Haimberger, Joseph M. Lynch, and John R. Hendrix. The SCEUC was represented by Scott Elliott, Esquire. Shannon Bowyer Hudson, Esquire, and Jeffrey M. Nelson, Esquire, represented the ORS. ORS presented the testimonies of Jacqueline R. Cherry and M. Anthony James.

Among other matters, the witnesses testified on issues related to the prudence of SCE&G's fuel purchasing practices, plant operations, and fuel inventory management. SCE&G witness Gatlin discussed the operation of the V.C. Summer Nuclear Station, including outages. SCE&G witness Joseph K. Todd reviewed the operating performance of the Company's fossil units and of South Carolina Generating Company's Williams Electric Generating Station. Company witness Gerhard Haimberger discussed the fuel procurement activity of the Company. Joseph M. Lynch, Manager of Resource Planning for SCANA Services, Inc., testified as to forecasting methodologies. Company witness John R. Hendrix provided actual fuel cost data for the historical period under review in this proceeding, provided computations for the projected fuel cost per kWh of sales for the period May 1, 2007 through April 30, 2008, and recommended a fuel rate for the period ending April 2008. ORS witness Jacqueline R. Cherry presented the results of the ORS Audit Staff's examination of the Company's books and records pertaining to the Fuel Adjustment Clause operation for the period of February 2006 through April 2007. ORS witness M. Anthony James testified as to the ORS Electric Department's findings and recommendations resulting from the ORS review of the Company's fuel expenses and power plant operations used in the generation of electricity for the period under review.

Further, the witnesses discussed various details of the proposed Revised Settlement Agreement filed by the Office of Regulatory Staff of South Carolina ("ORS") on behalf of itself, the South Carolina Energy Users Committee ("SCEUC"), and SCE&G (collectively referred to as the "Parties" or sometimes individually as a "Party").

The Parties represented to the Commission that they had engaged in discussions on the issues of this case and that the Parties have each determined that their interests and the public interest would be best served by settling all issues pending in this docket under the terms and conditions set forth in a Revised Settlement Agreement executed by the Parties.¹ The testimony demonstrated that, pursuant to the terms of the agreement, the appropriate fuel factor for SCE&G to charge for the period beginning with the first billing cycle in May 2007 and continuing through the last billing cycle of April 2008 is 2.630 cents per kWh. The fuel factor includes 0.172 cents per kWh to recover the under recovered fuel cost balance for the period February 1, 2006, through April 30, 2007, which is projected to be \$38,554,712. This amount consists of historical under recovered costs for the period February 1, 2006, through January 31, 2007, offset by the estimated over recovered costs for the period February 1, 2007, through April 30, 2007. Further, among other terms, the Parties agreed to accept all accounting adjustments as put forth in ORS witness Jacqueline R. Cherry's testimony.

After having heard the testimony of the witnesses and after reviewing the Revised Settlement Agreement, the Commission finds that the fuel purchasing practices, plant operations, and fuel inventory management of SCE&G are prudent, and that approval of the Revised Settlement Agreement is consistent with the standards for fuel review proceedings conducted pursuant to S.C. Code Ann. §58-27-865 (Supp. 2006). The settlement proposal allows recovery in a precise and prompt manner while assuring public confidence and minimizing abrupt changes in charges to customers. As such, it is

¹ The Revised Settlement Agreement is attached to this Order as Order Exhibit 1 and is incorporated in and made a part of this Order.

in the public interest as a reasonable resolution of the issues in this case and stabilizes the fuel factor through the last billing cycle of April 2008. We also find that the resolution espoused in the Revised Settlement Agreement does not appear to inhibit economic development. Additionally, the Commission finds and concludes that the Revised Settlement Agreement affords the Parties with the opportunity to review costs and operational data at succeeding fuel review proceedings conducted pursuant to S.C. Code Ann. §58-27-865 (Supp. 2006).

IT IS THEREFORE ORDERED THAT:

1. The purchasing practices, plant operations, and fuel inventory management of SCE&G are prudent.
2. The Revised Settlement Agreement is incorporated herein by reference and is found to be a reasonable resolution to the issues of this case and further found to be in the public interest.
3. SCE&G shall set its fuel factor at 2.630 cents per kWh effective for bills rendered on and after the first billing cycle of May, 2007, and continuing through the last billing cycle of April, 2008.
4. The Parties shall abide by all terms of the Settlement Agreement.
5. SCE&G shall file an original and ten (10) copies of the South Carolina Retail Adjustment for Fuel Cost and all other retail Tariffs within ten (10) days of receipt of this Order with the Commission and ORS.
6. SCE&G shall comply with the notice requirements set forth in S.C. Code Ann. §58-27-865 (B) (Supp. 2006).

7 SCE&G shall continue to file the monthly reports as previously required. SCEUC shall be provided a copy of the monthly report.

8. SCE&G shall account monthly to the Commission and ORS (with a copy furnished to SCEUC) for the differences between the recovery of fuel costs through base rates and the actual fuel costs experienced by booking the difference to unbilled revenues with a corresponding deferred debit or credit. SCE&G shall also monitor the cumulative recovery account.

9. SCE&G shall submit monthly reports to the Commission and ORS of fuel costs as well as scheduled and unscheduled outages of generating units with a capacity of 100 MW or greater.

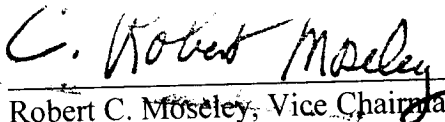
10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



Robert C. Moseley, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-2-E

March 26, 2007

IN RE:)	
)	
South Carolina Electric & Gas Company -)	REVISED
Annual Review of Base Rates for)	SETTLEMENT AGREEMENT
Fuel Costs)	
)	
)	
_____)	

This Settlement Agreement is made by and among the South Carolina Office of Regulatory Staff ("ORS"), South Carolina Energy Users Committee ("SCEUC") and South Carolina Electric & Gas Company ("SCE&G") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, the above-captioned proceeding has been established by the Public Service Commission of South Carolina ("Commission") pursuant to the procedure established in S.C. Code Ann. §58-27-865, and the Parties to this Settlement Agreement are parties of record in the above-captioned docket. There are no other parties of record in the above-captioned proceeding;

WHEREAS, the Parties have varying legal positions regarding the issues in this case;

WHEREAS, the Parties have engaged in discussions to determine if a settlement would be in their best interest;

WHEREAS, following these discussions the Parties have each determined that their interest and the public interest would be best served by settling this matter in the above-captioned case under the terms and conditions set forth below:

1. The Parties agree to stipulate into the record before the Commission the direct testimony and exhibits of the following witnesses without objection, change, amendment or cross-examination with the exception that the parties agree that: 1) on page 5, line 13 of the direct testimony of Joseph M. Lynch, \$9.20 should be amended to read \$8.44; 2) page 2 of 2 of Exhibit MAJ-1 to the testimony of M. Anthony James, should be replaced with Revised Exhibit MAJ-1, page 2 of 2 which is attached as Exhibit A; and 3) on page 4, lines 5 and 10 of the direct testimony of John R. Hendrix, 2.632 should be amended to read 2.630, Exhibit No.__(JRH-2) should be replaced with Revised Exhibit No. __(JRH-2) which is attached as Exhibit B, and Exhibit No. __(JRH-3) should be replaced with Revised Exhibit No.__(JRH-3) which is attached as Exhibit C.

A. SCE&G witnesses:

- (1) Thomas D. Gatlin
- (2) Joseph K. Todd
- (3) Gerhard Haimberger
- (4) Joseph M. Lynch
- (5) John R. Hendrix

B. ORS witnesses:

- (1) M. Anthony James
- (2) Jacqueline R. Cherry

2. As a compromise, all Parties adopt, accept, and acknowledge as the agreement of the Parties that:

- A. SCE&G's under recovered fuel cost balance for the period February 1, 2006 through April 30, 2007 is projected to be the amount of \$38,554,712. This under recovery consists of historical under recovered costs for the period February 1, 2006

through January 31, 2007, offset by the estimated over recovered costs for the period February 1, 2007 through April 30, 2007.

- B. The appropriate fuel factor for SCE&G to charge for the period beginning with the first billing cycle in May 2007 extending through the last billing cycle of April 2008 is 2.630 cents per kwh, which includes 0.172 cents per kwh to recover the under recovered fuel costs described in paragraph 2(A).
- C. The Parties agree that any and all challenges to SCE&G's historical fuel cost recovery for the period ending January 31, 2007 are not subject to further review; however, projected fuel costs for periods beginning on February 1, 2007 and thereafter shall be open issues and will be determined in future proceedings held under S.C. Code Ann. § 58-27-865.
- D. The Parties agree to accept all accounting adjustments as put forth in ORS witness Jacqueline R. Cherry's testimony.
- E. The Parties agree that in establishing the fuel cost recovery factors contained herein, the terms of Paragraph 2(C) of Exhibit 1 to Order No. 2006-235(A) (i.e., the 2006 Settlement Agreement) have been applied to calculate carrying costs on the balance of under recovery for the period May 1, 2007 to April 30, 2008 as provided for in the 2006 Settlement Agreement. The terms of the 2006 Settlement Agreement that are applicable to the calculation of carrying costs on the balance of under recovery for the period May 1, 2007 to April 30, 2008 shall apply under this Settlement Agreement.
- F. SCE&G agrees to provide to ORS and SCEUC the following:
 - (1) Copies of the monthly fuel recovery reports currently filed with the Commission and ORS; and,
 - (2) Quarterly forecasts beginning with the quarter ending June 30, 2007 of the expected fuel factor to be set at SCE&G's next annual fuel proceeding and SCE&G's historical over/under recovery to date. SCE&G agrees it will put forth its best efforts to forecast the expected fuel factor to be set at its next annual proceeding, however, all Parties agree that these quarterly forecasts will not be admitted into evidence in any future SCE&G proceedings.

3. The Parties agree this Settlement Agreement is reasonable, in the public interest and in accordance with law and regulatory policy.

4. Further, ORS is charged with the duty to represent the public interest of South Carolina pursuant to S.C. Code §58-4-10(B) (added by Act 175). S.C. Code §58-4-10(B)(1) through (3) reads in part as follows:

“...‘public interest’ means a balancing of the following:

- (1) Concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) Economic development and job attraction and retention in South Carolina; and
- (3) Preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.”

5. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution in the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

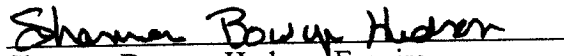
6. This written Settlement Agreement contains the complete agreement of the Parties. There are no other terms and conditions to which the Parties have agreed. This Settlement Agreement integrates all discussions among the Parties into the terms of this written document. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair their arguments or positions held in future proceedings, nor will the Settlement Agreement, or any of the matters agreed to in it be used as evidence or precedent in any future proceeding. If the Commission should decline to approve the Settlement Agreement in its

entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

7. This Settlement Agreement shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

WE AGREE:

Representing and binding the South Carolina Office of Regulatory Staff



Shannon Bowyer Hudson, Esquire

Jeffrey M. Nelson, Esquire

South Carolina Office of Regulatory Staff

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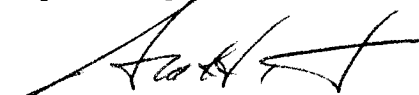
Docket No. 2007-2-E

Order No. 2007-257

April 23, 2007

WE AGREE:

Representing and binding South Carolina Energy Users Committee



Scott Elliott, Esquire

Elliott & Elliott, P.A.

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ocket No. 2007-2-E

Order No. 2007-257

April 23, 2007

WE AGREE:

Representing and binding South Carolina Electric & Gas Company

Catherine D. Taylor, Esquire

K. Chad Burgess, Esquire

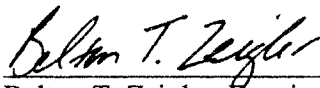
South Carolina Electric & Gas Company1426 Main Street, 13th floor

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As Authorized by STZ

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Docket No. 2007-2-E

Order No. 2007-257

April 23, 2007

Office of Regulatory Staff
Power Plant Performance Data Report
Capacity Factors (Percentage) for
South Carolina Electric & Gas Company

PLANT	UNIT	MW RATING	HISTORICAL DATA				REVIEW PERIOD (ACTUAL) DATA											
			YEAR	YEAR	YEAR	YEAR	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
			2003	2004	2005	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2007
CANADYS	1	105	80.7	82.9	81.9	69.0	70.6	78.2	61.5	28.3	85.2	89.6	82.3	60.4	91.8	82.6	86.0	33.4
CANADYS	2	116	79.7	79.7	69.2	69.9	62.0	80.7	21.3	70.8	82.5	83.8	79.6	82.2	38.1	87.2	80.2	75.7
CANADYS	3	185	51.1	75.9	48.5	71.8	70.5	87.0	62.0	78.5	75.1	71.6	74.2	81.0	82.3	45.7	85.3	78.7
MCMEEKIN	1	125	68.9	73.2	80.3	76.5	92.0	64.0	90.9	78.3	78.9	87.9	92.5	82.7	12.9	67.4	89.9	90.8
MCMEEKIN	2	125	69.1	65.9	83.3	73.0	91.3	87.5	67.4	74.2	82.7	87.6	92.8	83.3	74.6	13.0	69.9	87.1
URQUHART	3	94	74.7	76.4	73.2	80.7	83.4	86.1	63.7	55.2	88.9	91.2	94.4	88.2	89.6	65.9	79.2	93.0
WATEREE	1	350	69.7	84.2	83.8	79.3	77.6	94.1	64.1	73.7	91.7	74.5	80.5	46.8	92.9	90.6	88.7	82.1
WATEREE	2	350	69.8	81.2	85.5	60.5	88.8	87.3	66.1	90.1	92.7	94.4	92.1	44.8	0.0	0.0	0.2	24.5
WILLIAMS	615	67.7	66.6	89.1	83.4	83.4	80.3	36.9	94.9	95.7	91.3	92.1	95.7	90.7	70.4	97.5	62.1	0.0
COPE	420	78.5	92.7	83.3	93.1	93.1	98.1	99.1	42.9	89.1	98.1	98.7	98.1	98.7	99.6	95.7	100.0	93.3
FOSSIL TOTALS		2485	70.9	78.8	81.9	78.2	83.4	75.8	67.7	81.9	89.7	88.6	90.2	76.1	66.9	70.6	69.5	54.1
URQUHART CC	5	165	n/a	n/a	10.5	18.0	8.0	5.6	17.9	11.1	21.1	39.3	55.3	14.2	17.0	14.3	7.9	34.0
URQUHART CC	1	66	n/a	n/a	10.8	20.4	8.4	5.9	19.6	12.4	23.2	43.9	64.0	15.6	19.7	15.8	8.7	37.5
URQUHART CC	6	173	n/a	n/a	6.9	15.5	6.2	8.4	10.4	12.7	18.5	52.0	42.2	5.7	9.3	14.4	4.5	28.7
URQUHART CC	2	68	n/a	n/a	8.2	17.6	7.0	9.7	11.5	14.4	20.8	60.1	46.6	6.5	11.1	16.6	4.9	31.8
JASPER CC	1	165	n/a	n/a	21.4	25.2	5.1	0.0	0.3	4.9	33.2	41.7	62.0	24.5	48.9	54.3	26.2	57.5
JASPER CC	2	165	n/a	n/a	24.7	27.1	8.5	0.0	2.3	4.2	42.3	54.0	49.5	31.0	58.2	49.2	20.4	39.1
JASPER CC	3	165	n/a	n/a	26.2	25.2	8.5	0.0	7.3	2.4	38.1	54.0	47.3	28.4	39.6	59.5	15.5	52.9
JASPER CC	4	385	n/a	n/a	18.4	19.6	4.1	0.0	0.0	2.3	28.9	41.0	44.8	19.4	36.9	41.0	15.0	34.5
TOTAL CC CAP.		1352	n/a	n/a	17.2	21.1	6.4	2.5	6.2	6.4	29.2	46.6	49.7	19.3	33.2	36.8	14.0	39.3
V.C. SUMMER		966	86.9	96.5	87.7	88.3	101.5	101.7	101.6	98.2	98.3	99.0	99.3	99.7	40.3	17.3	100.9	101.1
(SCE&G)		644																
(SCPSA)*		322																

Note 1: The lifetime capacity factor for V.C. Summer through December 2006 is 81.2%.

Note 2: SCPSA represents the South Carolina Public Service Authority's 1/3 ownership of VC Summer.

Note 3: CC designates Combined-Cycle units

EXHIBIT A

REVISED
EXHIBIT MAJ-1
 Page 2 of 2

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FUEL COSTS REPORT

LINE NO.		2007 FORECAST					
		MAY \$	JUNE \$	JULY \$	AUGUST \$	SEPTEMBER \$	OCTOBER \$
1.	TOTAL COST OF FOSSIL FUEL BURNED	39,005,000	51,242,000	61,255,000	61,383,000	43,828,000	34,174,000
2.	NUCLEAR FUEL	2,038,000	1,952,000	2,016,000	2,016,000	1,952,000	2,038,000
3.	PURCHASED AND INTERCHANGE POWER FUEL COSTS						
4.	LESS FUEL RECOVERED THROUGH INTERSYSTEM SALES	12,435,000	14,996,000	17,186,000	15,899,000	11,859,000	11,202,000
5.	TOTAL FUEL COSTS (LINES 1+2+3-4)	6,436,000	7,988,000	10,305,000	11,082,000	7,885,000	5,142,000
		47,042,000	60,202,000	70,152,000	68,198,000	49,752,000	42,272,000
6.	TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH)	1,808,000,000	2,141,000,000	2,357,000,000	2,388,000,000	2,202,000,000	1,889,000,000
7.	FOSSIL FUEL COST PER KWH SALES	0.026019	0.028119	0.029763	0.028582	0.022594	0.022280
8.	LESS BASE COST PER KWH INCLUDED IN RATES	0.026300	0.026300	0.026300	0.026300	0.026300	0.026300
9.	FOSSIL FUEL ADJUSTMENT PER KWH	(0.00028)	0.00182	0.00346	0.00228	(0.00371)	(0.00404)
10.	RETAIL KWH	1,683,000,000	2,003,000,000	2,202,000,000	2,238,000,000	2,073,000,000	1,785,000,000
11.	OVER/UNDER RECOVERY REVENUE	(471,240)	3,645,460	7,618,920	5,102,640	(7,690,830)	(7,211,400)
12.	MONTHLY CARRYING COST COLLECTED	87,792	80,478	73,160	65,844	58,528	51,212
13.	ADJUSTMENTS	0	0	0	0	0	0
14.	FIXED CAPACITY CHARGES	(1,583,583)	(1,583,583)	(1,583,583)	(1,583,583)	(1,583,583)	(1,583,583)
15.	NET OVER/UNDER RECOVERY REVENUE	(1,967,031)	2,142,353	6,108,487	3,584,901	(9,215,885)	(8,743,771)
16.	CUMULATIVE UNDER(OVER)	\$38,468,549	38,643,871	44,752,368	48,337,269	39,121,384	30,377,613

EXHIBIT B

Exhibit No. (JRH-2)
(REVISED)

Docket No. 2007-2-E

Order No. 2007-257

April 23, 2007

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FUEL COSTS REPORT

LINE NO.		2007 - 2008 FORECAST				
		NOVEMBER \$	DECEMBER \$	JANUARY \$	FEBRUARY \$	MARCH \$
1.	TOTAL COST OF FOSSIL FUEL BURNED	39,566,000	41,347,000	43,807,000	34,208,000	36,978,000
2.	NUCLEAR FUEL	1,969,000	2,036,000	2,036,000	1,905,000	2,036,000
3.	PURCHASED AND INTERCHANGE POWER FUEL COSTS	6,974,000	11,928,000	12,145,000	12,025,000	10,081,000
4.	LESS FUEL RECOVERED THROUGH INTERSYSTEM SALES	5,283,000	7,482,000	7,332,000	4,701,000	5,156,000
5.	TOTAL FUEL COSTS (LINES 1+2+3-4)	43,225,000	47,831,000	50,656,000	43,435,000	43,921,000
6.	TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH)	1,668,000,000	1,879,000,000	2,051,000,000	1,941,000,000	1,823,000,000
7.	FOSSIL FUEL COST PER KWH SALES	0.026441	0.025456	0.024699	0.022378	0.024093
8.	LESS BASE COST PER KWH INCLUDED IN RATES	0.026300	0.026300	0.026300	0.026300	0.026300
9.	FOSSIL FUEL ADJUSTMENT PER KWH	(0.00006)	(0.000084)	(0.00160)	(0.003692)	(0.00221)
10.	OVER/UNDER RECOVERY REVENUE KWH	1,568,000,000	1,750,000,000	1,917,000,000	1,824,000,000	1,706,000,000
11.	OVER/UNDER RECOVERY REVENUE	(1,365,680)	(1,470,000)	(3,067,200)	(7,160,080)	(3,770,260)
12.	MONTHLY CARRYING COST COLLECTED	43,896	36,590	29,264	21,948	14,632
13.	ADJUSTMENTS	0	0	0	0	7,316
14.	FIXED CAPACITY CHARGES	(1,593,583)	(1,593,583)	(1,593,583)	(1,593,583)	0
15.	NET OVER/UNDER RECOVERY REVENUE	(2,905,367)	(3,017,003)	(4,621,519)	(8,711,715)	(5,339,211)
16.	CUMULATIVE UNDER(OVER) \$30,377,613	27,472,246	24,455,243	19,833,724	11,122,000	5,782,798
						(37,869)

EXHIBIT B

Exhibit No. (JRH-2)
(REVISED)

Order Exhibit 1
Docket No. 2007-2-E
Order No. 2007-257
April 23, 2007

EXHIBIT C

Exhibit No. ____ (JRH-3)
(REVISED)

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
 CALCULATION OF BASE FUEL COMPONENT**

**FORECAST
 MAY 07 - APR 08
12 MONTHS**

1. PROJECTED DATA:

COST OF FUEL (\$000)	
SYSTEM SALES (GWH)	\$607,682
FUEL RATE (CENTS/KWH)	23,917
	2.540

2. (OVER)/UNDER COLLECTION (\$000) THROUGH APRIL 2007

SOUTH CAROLINA RETAIL SALES (GWH)	\$38,469
(OVER)/UNDER COLLECTION RATE (CENTS/KWH)	22,389
	0.172

3. BASE FUEL RATE (CENTS/KWH):

PROJECTED FUEL RATE	2.540
FIXED TRANSPORTATION CHARGE & CARRYING COST RATE (CENTS/KWH)(a)	<u>(0.082)</u>
TOTAL PROJECTED FUEL RATE	2.458
(OVER)/UNDER RECOVERY RATE	<u>0.172</u>
TOTAL PROJECTED BASE FUEL RATE	<u>2.630</u>

Note (a): The calculation for the Fixed Transportation Charge and Carrying Cost Rate is (Fixed Transportation Cost) (\$19,003) plus (Carrying Cost) \$571 divided by (retail sales) 22,389 equals (0.082) (Cents/KWH).